

17 February 1987

CIA BROKE OWN RULES IN WEAPONS DEAL, GATES TESTIFIES  
BY ROBERT M. ANDREWS  
WASHINGTON

Acting CIA Director Robert M. Gates said Tuesday the agency violated its own rules in the way it handled the secret arms sales to Iran, while Israel's prime minister defended the idea of reaching out to that "terrorist country." Gates, testifying at a Senate hearing on his confirmation as director of the intelligence agency, accepted a share of blame for the CIA and suggested he would make quite different decisions if such a situation comes up with him in charge.

The agency, he said, bypassed internal regulations in arranging a flight to Iran in 1985. In addition, he said Congress should not have been kept in the dark so long about the weapons deal.

He said he would consider resigning rather than go along with such an arrangement in the future.

But he also said it would have been wrong for him to have gone to Congress with what he described as merely "flimsy speculation" that profits from the weapons sales were going to the Contra rebels in Nicaragua.

As for Israel, both President Reagan and Prime Minister Yitzhak Shamir, who arrived for a three-day visit, were described as eager to focus on Middle East peace prospects and publicly sidestep the Iran arms affair.

On the subject of Iran itself, Shamir told reporters, "I think it is one of the most dangerous countries in the world. It is a terrorist country, a totalitarian country. But he said in spite of Iran's behavior "we have to do everything possible to change the situation." Israel, too, has sent weapons to Iran.

A senior U.S. official stressed that Reagan's decision to authorize arms shipments to Iran through Israel was an American - not an Israeli - initiative.

"We have made clear we accept responsibility for the decision, and we do not blame Israel," said the official, who spoke to reporters only on condition that he not be identified.

Likewise, Israeli officials said Shamir will try to make clear during his visit that arming Iran was an American idea, and that Israel had nothing to do with the diversion of some of the profits to Nicaraguan rebel forces.

As special House and Senate investigative committees made preparations for exhaustive hearings into the Iran-Contra affair, starting sometime in April, Gates testified that he would consider resigning if the White House ever ordered him to keep Congress in the dark about a covert operation.

Information the committees are expected to examine include data from National Security Council computers, which a presidential panel is now studying. The data, compiled from a backup archive at the NSC, where much of the Iran-Contra work was done, are said to be yielding important information for a presidential panel investigating the affair.

The Atlanta Journal-Constitution reported in Wednesday's editions that former national security adviser Robert C. McFarlane, who has since been hospitalized with an overdose of tranquilizers, was the one who tipped congressional investigators to the existence of the archive.

Continued

Sen. David Durenberger, R-Minn., the former chairman of the Senate Intelligence Committee, told the newspaper that McFarlane volunteered word of the archive during testimony before the committee. Durenberger said the committee, under pressure to complete a preliminary report, did not try to examine the data but advised the other investigating congressional committees and the presidential panel about it.

The presidential commission headed by former Sen. John Tower, R-Texas, learned of secret projects and financing operations carried on under the name Project Democracy, the newspaper reported.

Meanwhile, congressional investigators are arranging to gain access to transcripts of portions of Reagan's handwritten notes on the affair.

"We may not see the notes themselves," Sen. Daniel K. Inouye, D-Hawaii, chairman of the Senate's special Iran-Contra committee, told The Associated Press. But he said that "arrangements have been made to acquaint ourselves with the contents of the notes." A knowledgeable congressional source, who spoke only on condition that he not be identified, said the Senate panel will be given access to the same excerpts of the presidential notes that have been shown to the Tower Commission, which Reagan appointed to review operations of the National Security Council.

That group was allowed to see typewritten transcripts of notes that the president, working with close advisers, decided were relevant to the inquiry.

Gates, a 43-year-old agency professional nominated by Reagan to succeed former CIA Director William J. Casey, said the decision against notifying Congress about the Iran arms deal had stretched relations between Congress and the executive branch "to the breaking point." Testifying at a confirmation hearing by the Senate Intelligence Committee, Gates promised to help "re-establish mutual trust and confidence" between the CIA and Congress.

Gates said he had heard only "flimsy speculation" last October that Iranian arms profits were being funneled to the Contras, and that it would have been irresponsible to report such sketchy information to Congress at the time.

But he said it was a CIA "error" to conceal the secret arms sales from Congress for 10 months. And he said the arms deal was full of "shortcomings" that worried him, at least in retrospect.

He said CIA agents had "violated our own internal regulations" in arranging to fly weapons to Iran in November 1985.

"We did not communicate well enough internally about what was going on," he said. "We should have protested more vigorously our involvement in an operation where there were significant elements unknown to us and where we mistrusted key figures.

"We tolerated ground rules suggested by others that excluded our own experts. I also believe the CIA made an error in not pressing to reverse the directive to withhold prior notification once the operation began to string out in February 1986." Said Gates: "The entire undertaking was a unique activity that we are all determined not to repeat." Shamir, who is touring the United States for 10 days, will meet with Reagan on Wednesday and also will confer with Secretary of State George Shultz and Defense Secretary Caspar Weinberger.

Continued

Israeli officials said that when questions are raised here about the U.S. arms shipments to Iran, Shamir will portray his country as a helpful middleman, a role befitting a close friend.

Israeli diplomats and arms dealers took part in the arrangements, and the weapons sent to Iran were taken out of Israeli stockpiles and replaced later by the Defense Department.

Recent Senate findings suggested that Israel played an active part in managing the arms sales rather than merely acceding to U.S. requests to transfer arms to Iran.